The Case for Impact Models in European Destinations

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Why Economic Impact Still Matters

Speaks the language of policy makers: taxes and jobs

CHANNELS OF **ECONOMIC IMPACT**

1 DIRECT

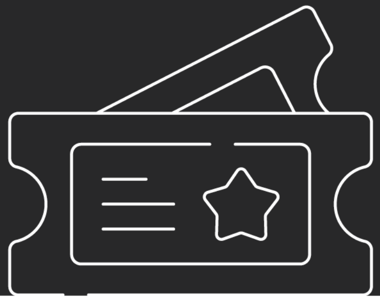
Transactions occur directly between consumers and travel businesses.

2 INDIRECT

Travel businesses then **purchase goods and services** from other providers.

3 INDUCED

Employees of travel businesses **spend wages** throughout the economy.



TOTAL ECONOMIC IMPACT

TOURISM ECONOMICS

Six economic impact applications for DMOs and NTOs

1. **Total visitor economy** (benchmark)
2. **Travel sector vertical** (e.g. cruise, business events)
3. **Event** (use the EIC!)
4. **Investment** (e.g. venue or attraction)
5. **Organizational impact** (Your ROI)
6. **Policy scenarios** (what if?)

Two vital principles

Credibility

Communication

Storytelling

Community services
Tax savings
Contextualize big numbers

£147BN TOURISM GDP

5% of the UK economy – equivalent to around £400 million of GDP every day

£161BN BY 2030

Tourism GDP set to grow 9.3% in real terms – faster than the UK economy – adding 175,000 jobs

1 IN 15 UK JOBS

2.4 million jobs – at least 5% of employment in every nation and region.

£52BN TAX REVENUES

In theory, enough to pay roughly one million teachers' salaries for a year.

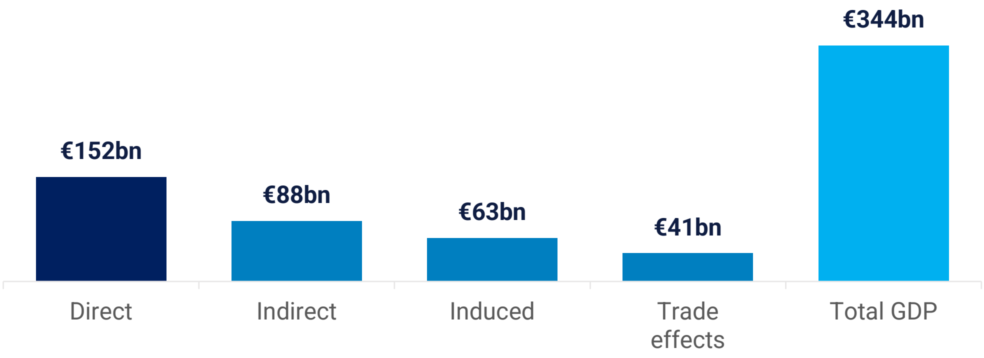
Source: Economic Value of Tourism, VisitBritain/VisitEngland – modelling by Oxford Economics (Jan 2026). Daily, teacher-salary and unemployment comparisons are theoretical illustrations calculated for this slide, not findings of the report.

Organisational economic impact

Booking.com in Europe – economic impact

2025 · EU-27, UK and Switzerland · € billions

Impact measure	Direct	Total*
Visitor spending	291	–
GDP	152	344
Jobs (millions)	2.5	4.7
Wages	–	175
Tax revenues	–	137
Business sales (output)	–	691



*Total includes direct, indirect, induced and cross-border trade effects. Source: Tourism Economics for Booking.com (Jun 2026)

Brand USA marketing ROI

FY2024 · an NTO example

$23.37 of visitor spending for every $1 of Brand USA budget in FY2024 ($24.56 per marketing dollar)

$3.62 in federal tax receipts per $1 invested – more than three times the FY2024 budget

1.6M incremental visits in FY2024 – 2.2% of all international visitors to the US

$5.9bn incremental visitor spending, $12.8bn total economic impact and $1.7bn in taxes. European markets: $70m invested returned $985m, a 14-to-1 ratio. Twelve years of measurement (FY2013–24): $34.7bn in visitor spending – $20.72 per budget dollar and $3.15 in federal tax. Econometric model validated against Arrivalist mobile-device data – a framework directly transferable to European NTOs.

Source: The Return on Investment of Brand USA Marketing, FY2024 – Oxford Economics / Tourism Economics (Mar 2025)

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Funding scenario economic impact

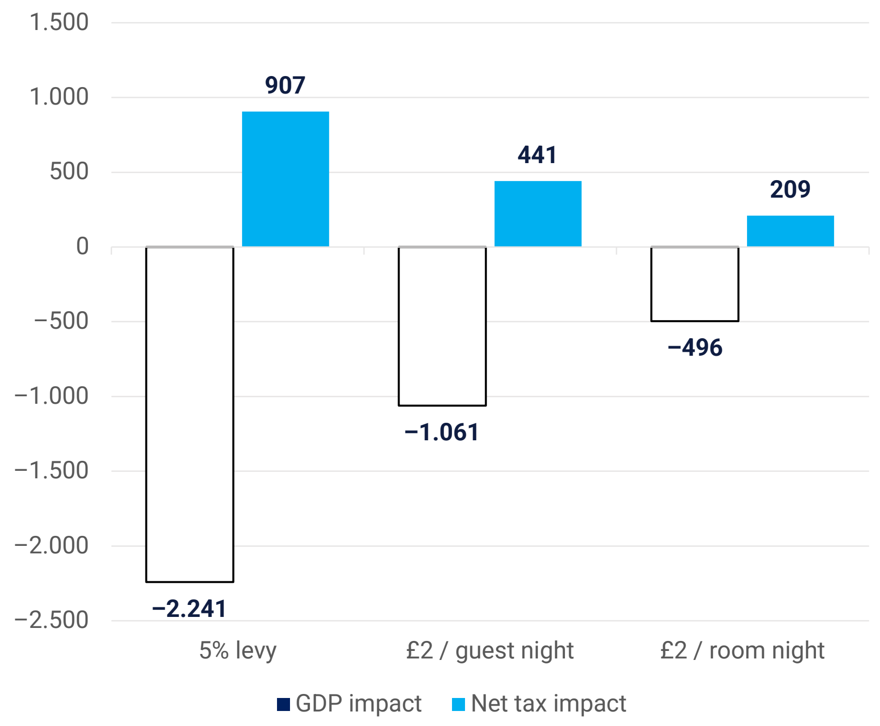
Tourism levy in England: annual impact in 2030 vs. no-levy baseline

Three levy designs · £, nominal prices

	5% levy on accommodation	£2 per guest night	£2 per room night
Visitor nights in paid accommodation	−11.9M	−5.9M	−2.7M
Tourism spending	−£1.8bn	−£846m	−£395m
GDP	−£2.2bn	−£1.1bn	−£496m
Jobs	−33,000	−16,000	−7,000
Gross levy receipts	£1.6bn	£766m	£361m
Erosion of existing tax revenue	−£688m	−£326m	−£152m
Net tax impact	£907m	£441m	£209m

GDP loss vs. net tax gain, 2030

£ millions



Source: Tourism Levy Impacts in England – Tourism Economics for UKHospitality (Mar 2026). Net tax = gross levy receipts less erosion of visitor-linked tax revenue.

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